

ATHLETIC DEPARTMENT
LOUISIANA STATE UNIVERSITY
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT
ISSUED JANUARY 18, 2006

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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January 11, 2006

Independent Accountants' Report on the
Application of Agreed-Upon Procedures

CHANCELLOR SEAN O'KEEFE
LOUISIANA STATE UNIVERSITY
AND A&M COLLEGE
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as chancellor of the university, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the Louisiana State University and A&M College (LSU) Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3 for the year ended June 30, 2005. LSU's management is responsible for the Statement (unaudited) and related notes (unaudited) and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the fair presentation of the Statement of the intercollegiate athletics program, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and regulations, and other information we considered necessary for the year ended June 30, 2005. We also verified the mathematical accuracy of the amounts on the Statement and agreed the amounts to supporting schedules provided by the university and the university's general ledger.

We found no exceptions as a result of these procedures.

2. We obtained an understanding and tested the specific elements of the control environment and accounting systems that are unique to the university's intercollegiate athletics program.

We detected no significant deficiencies in the control environment and accounting systems as a result of these procedures.

3. We inquired of management about the involvement of the university's internal auditor in the intercollegiate athletics program. During fiscal year 2005, the internal auditor issued an audit report on imprest petty cash funds, which included the athletic department's funds. The internal audit report noted no control weaknesses or exceptions related to the athletic department.
4. We compared each operating revenue and expense account for the intercollegiate athletics program recorded in the university's general ledger for the years ended June 30, 2004, and June 30, 2005, to identify variances of 5% or greater than \$50,000 for all individual revenue and expense accounts that are 5% or more of the total.

As a result of our procedure, we identified variances of 5% or greater than \$50,000 in the following general ledger accounts:

Revenues

Football

Marketing and promotions

Southeastern Conference (SEC) distribution

Tradition fund

Expenses

Salaries, wages, and staff benefits

Supplies

Scholarships

5. We compared the budgeted revenues and expenses to actual revenues and expenses related to athletics in the university's general ledger for the year ended June 30, 2005, to identify any variances of 25% or greater in individual revenue and expense accounts that are 5% or more of the total.

As a result of our procedure, we identified variances greater than 25% in the following individual revenue and expense accounts that are 5% or more of the total:

Expenses

Athletic administration

**MINIMUM AGREED-UPON PROCEDURES
FOR REVENUES**

6. We obtained the football, baseball, and men's basketball game statements for all home games and compared the amounts reported to the revenue recorded in the general ledger and reported on the Statement. We also selected 16 operating revenue receipts from the ticket sales category and agreed to adequate supporting documentation.

We found no exceptions as a result of these procedures.

7. For the football, baseball, and men's basketball games with game guarantee settlements, we agreed the amounts recorded in the general ledger to the contractual agreements. We recalculated the settlement reports for the games tested.

We found no exceptions as a result of these procedures.

8. We obtained information on tradition fund contribution revenue, including the contribution amount for each section in the stadium and the number of seats required to make the contribution in each section. We calculated tradition fund contribution revenue using this information and compared to the amount recorded in the general ledger to identify variances of 5% or greater.

We identified no variances that were 5% or greater for tradition fund contribution revenue.

9. We obtained and inspected agreements related to the university's participation in revenues from football post-season activity during the period to gain an understanding of relevant terms and conditions. We compared and agreed related revenues to the general ledger. We recalculated the totals. In addition, we selected one operating revenue receipt from the NCAA/Conference distributions category and agreed it to adequate supporting documentation.

We found no exceptions as a result of these procedures.

10. We obtained and inspected one agreement related to the university's participation in revenues from broadcasts, television, radio, and Internet rights during the period to gain an understanding of relevant terms and conditions. We compared and agreed related revenues to the general ledger. We recalculated the totals.

We found no exceptions as a result of these procedures.

11. We selected two operating revenue receipts from the program sales, concessions, novelty sales, and parking category and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

12. We obtained and inspected one agreement related to the university's participation in revenues from royalties, advertisements, and sponsorships during the period to gain an understanding of relevant terms and conditions. We compared and agreed related revenues to the general ledger. We recalculated the totals.

We found no exceptions as a result of these procedures.

13. We selected one operating revenue receipt from each category not previously mentioned above and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

14. We selected a sample of seven athletic scholarship expense transactions from the general ledger and identified the students included in the transactions. We obtained individual student-account detail for each selection and compared total aid allocated from the related aid award letter to the student's account.

We found no exceptions as a result of these procedures.

15. We selected the football, baseball, and men's basketball games with game guarantee expenses and agreed the amounts to the general ledger and to the contractual agreements. We recalculated the settlement reports for the games tested.

We found no exceptions as a result of these procedures.

16. We obtained from management a list of coaches and support staff/administrative personnel paid by the university and selected four coaches from football, baseball, and men's and women's basketball, and three support staff/administrative personnel. The following procedures were performed:

- (a) Compared and agreed the financial terms and conditions in the contract of each coach selected to the related coaching salaries, benefits, and other compensation recorded in the university's payroll and accounts payable systems during the reporting period
- (b) Obtained and inspected W-2s and 1099s for each selection
- (c) Compared and agreed related W-2s and 1099s for each selection to the related salaries, benefits, and other compensation recorded in the university's payroll and accounts payable systems during the reporting period

We found no exceptions as a result of these procedures.

17. We obtained and inspected a listing of coaches' salaries paid by third parties during the reporting period. We compared and agreed the financial terms and conditions in the coaches' contracts to the related coaching other compensation and benefits paid by a third party recorded by the university in the Statement during the reporting period.

We found no exceptions as a result of these procedures.

18. Using a list prepared by the university, we selected an athletic employee with a severance payment and agreed the severance pay to the related personnel action form. We recalculated the totals.

We found no exceptions as a result of these procedures.

19. We obtained and documented an understanding of the university's recruiting expense policies. We compared and agreed these policies to existing university and NCAA related policies. We selected four recruiting expenses and agreed to adequate supporting documentation.

We found no exceptions as a result of these procedures.

20. We obtained an understanding of the university's team travel policies. We compared and agreed these policies to existing university and NCAA related policies. We selected 17 team travel expenses and agreed to adequate supporting documentation. In addition, we selected post-season activity for men's and women's track, swimming, and basketball; men's tennis, baseball, and football; and women's gymnastics and golf and followed it through the university's internal control system to determine adherence to established policies and procedures.

We found no exceptions as a result of these procedures.

21. We selected two operating expenses from the equipment, uniforms, and supplies category and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

22. We selected four operating expenses from the direct facilities, maintenance, and rental category and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

23. We selected travel expenses incurred by spirit groups for travel to a bowl game and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

24. We selected six operating expenses from the other operating expense category and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

25. We selected one operating expense from each category not previously mentioned above and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

**MINIMUM AGREED-UPON PROCEDURES
FOR NOTES AND DISCLOSURES**

26. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constitute more than 10% of total contributions. We obtained and reviewed supporting documentation for such contributions and ensured the source of funds, goods, and services, as well as the value associated with these items is disclosed within the notes to the statement.

No individuals or outside organizations, other than the Tiger Athletic Foundation, contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10% of the total contributions included in Statement A. The value of the contributions from the Tiger Athletic Foundation is disclosed in note 1.

27. We obtained and reviewed a schedule of total intercollegiate athletics capitalized assets, additions, deletions, and improvements of facilities by type along with a description of the university's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets.

We were provided the capital asset information by management.

28. We agreed the capital asset schedule to supporting schedules provided by the university and the university's general ledger. We selected any capitalized addition that was greater than 10% of total capital additions and agreed recorded cost to adequate supporting documentation. We agreed the Tiger Athletic Foundation's capital asset schedule to their audited financial statements for the year ended December 31, 2004.

We found no exceptions as a result of these procedures.

29. We obtained the repayment schedules for all outstanding intercollegiate athletics debt maintained by the university during the reporting period. We recalculated annual maturities and agreed to supporting schedules provided by the university and the university's general ledger. We agreed the Tiger Athletic Foundation's repayment schedules to their audited financial statements for the year ended December 31, 2004.

We found no exceptions as a result of these procedures.

**MINIMUM AGREED-UPON PROCEDURES
FOR AFFILIATED AND OUTSIDE ORGANIZATIONS**

30. We obtained written representation from management of the university that the Tiger Athletic Foundation and the LSU Track and Field Officials Association were the only outside organizations created for or on behalf of the athletic department. The LSU Track and Field Officials Association does not make any disbursements on behalf of the athletic department. Instead, the LSU Track and Field Officials Association supports athletics with direct contributions to the Tiger Athletic Foundation. For the year ended December 31, 2004, the LSU Track and Field Officials Association donated \$50,000 to the Tiger Athletic Foundation.
31. We obtained from management a summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation to be included with the agreed-upon procedures report. We obtained written representations as to the fair presentation of the summary and agreed the amounts reported to the Tiger Athletic Foundation's general ledger and audited financial statements for the year ended December 31, 2004.

The following is the summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation for the year ended December 31, 2004:

	Football	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
REVENUES						
Contributions	\$1,061,938	\$46,104	\$72,731	\$296,126	\$2,081,812	\$3,558,711
Compensation and benefits provided by a third party	300,000					300,000
Total revenues	<u>1,361,938</u>	<u>46,104</u>	<u>72,731</u>	<u>296,126</u>	<u>2,081,812</u>	<u>3,858,711</u>
EXPENSES						
Coaching salaries and benefits paid by the university and related entities	450,000					450,000
Coaching other compensation and benefits paid by a third party	300,000					300,000
Recruiting		707	47	10,167		10,921
Team travel	241,415	11,368	19,803	53,409		325,995
Equipment, uniforms, and supplies				32,648		32,648
Game expenses	135,022					135,022
Fund raising, marketing, and promotion	15,961	444	5,613	10,763	373,984	406,765
Direct facilities, maintenance and rental					20,754	20,754
Spirit groups					31,073	31,073
Membership and dues	21,880	1,750		11,498	27,898	63,026
Other operating expense	197,660	31,835	47,268	177,641	1,628,103	2,082,507
Total expenses	<u>1,361,938</u>	<u>46,104</u>	<u>72,731</u>	<u>296,126</u>	<u>2,081,812</u>	<u>3,858,711</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENSES						
	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

These amounts include contributions totaling \$2,947,878 from the Tiger Athletic Foundation; \$902,309 from booster clubs; and, \$8,524 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by the Tiger Athletic Foundation.

32. We obtained an understanding and tested the university's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for, or on behalf of, the university's intercollegiate athletics program.

We found no significant deficiencies in the design of the university's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for, or on behalf of, the university's intercollegiate athletics program.

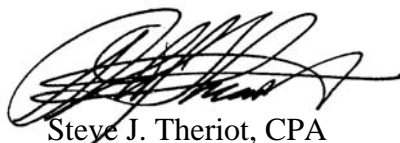
33. We obtained the independent auditor's reports for all outside organizations that had an independent audit to identify any reportable conditions relating to their internal control and made inquiries of management to document any corrective action taken in response to the reportable conditions.

The financial statements of the Tiger Athletic Foundation for the year ended December 31, 2004, were audited by an independent certified public accounting firm. The audit report was dated April 29, 2005, and included no reportable conditions relating to the outside organization's internal control.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accompanying Statement of Revenues and Expenses and related notes of the Louisiana State University and A&M College Athletic Department. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the chancellor of the Louisiana State University and A&M College and is not intended to be, and should not be, used by anyone other than the chancellor. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

AB:ES:PEP:dl

LSUNCAA05

**ATHLETIC DEPARTMENT
LOUISIANA STATE UNIVERSITY AND A&M COLLEGE
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues and Expenses
For the Year Ended June 30, 2005**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating Revenues:						
Ticket sales	\$18,965,088	\$1,551,275	\$317,765	\$1,638,620	\$887,048	\$23,359,796
Game guarantees	800,000	120,000	16,500	78,000		1,014,500
Contributions	8,692,612	46,104	72,731	296,126	2,081,812	11,189,385
Compensation and benefits provided by a third party	391,100	29,350	30,950	145,500	112,300	709,200
NCAA/Conference distributions including all tournament revenues	8,027,988	2,703,734		372,841	527,129	11,631,692
Broadcast, television, radio and Internet rights	434,151				2,070,886	2,505,037
Program sales, concessions, novelty sales, and parking	2,795,825	111,096	43,503	329,504	1,174,744	4,454,672
Royalties, advertisements, and sponsorships	1,000			130,250	3,120,997	3,252,247
Endowment and investment income					632,386	632,386
Other					2,188,761	2,188,761
Total operating revenues	<u>40,107,764</u>	<u>4,561,559</u>	<u>481,449</u>	<u>2,990,841</u>	<u>12,796,063</u>	<u>60,937,676</u>
EXPENSES						
Operating Expenses:						
Athletics student aid	1,639,074	181,848	295,173	2,697,627	2,007,288	6,821,010
Game guarantees	2,275,000	161,000	81,000	28,530		2,545,530
Coaching salaries and benefits paid by the university and related entities	4,163,743	1,254,000	593,839	2,632,351		8,643,933
Coaching other compensation and benefits paid by a third party	391,100	29,350	30,950	145,500		596,900
Support staff/administrative salaries and benefits paid by the university and related entities	633,308	76,393	88,653	223,393	8,663,081	9,684,828
Support staff/administrative other compensation and benefits paid by a third party					112,300	112,300
Severance payments	97,162	7,933		59,080	115,802	279,977
Recruiting	378,256	69,539	52,459	309,212	564	810,030
Team travel	1,563,256	221,955	350,575	1,539,719	3,683	3,679,188
Equipment, uniforms, and supplies	218,340	31,409	36,072	507,815	381,986	1,175,622
Game expenses	358,781	119,128	86,676	152,152	2,997,461	3,714,198
Fund raising, marketing, and promotion	42,869	5,044	9,700	13,754	496,415	567,782
Direct facilities, maintenance and rental	26,904	8,209	4,012	64,800	8,594,122	8,698,047
Spirit groups					582,274	582,274
Medical expenses and medical insurance	167,077	17,840	37,354	249,945	7,633	479,849
Memberships and dues	23,080	1,875		15,567	38,236	78,758
Other operating expense	197,660	31,835	47,268	177,641	6,932,766	7,387,170
Total operating expenses	<u>12,175,610</u>	<u>2,217,358</u>	<u>1,713,731</u>	<u>8,817,086</u>	<u>30,933,611</u>	<u>55,857,396</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENSES	<u>\$27,932,154</u>	<u>\$2,344,201</u>	<u>(\$1,232,282)</u>	<u>(\$5,826,245)</u>	<u>(\$18,137,548)</u>	<u>\$5,080,280</u>

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INTRODUCTION

Louisiana State University and A&M College (LSU), a part of the Louisiana State University System, is a publicly supported institution of higher education. The system is a component unit of the State of Louisiana within the executive branch of the government. The LSU Athletic Department is a part of the operations of LSU's auxiliary enterprises. LSU uses the fiscal year July 1 through June 30 for financial reporting purposes.

The LSU Athletic Department is supported by the Tiger Athletic Foundation (TAF). TAF was founded on May 17, 1983, as a nonprofit corporation under Louisiana Revised Statute 12:201(7). The foundation's primary objective is to encourage support and raise funds for LSU and its intercollegiate athletics program. Funds are primarily used to defray the costs of scholarships, to help maintain and improve LSU's athletic facilities, and to retire present indebtedness. The foundation is governed by a board of directors elected from its membership. TAF's activities are monitored by the board of directors in cooperation with and approval of the LSU Athletic Department. TAF escrow accounts, which include booster clubs and affiliated chapters, are deposits in which the foundation acts as custodian or fiscal agent on behalf of booster organizations. TAF acts as a nonaffiliated party to oversee the revenues generated by booster clubs and affiliated chapters to provide administrative controls over these funds. TAF uses the calendar year for financial reporting purposes.

The accompanying statement of revenues and expenses presents information as to the transactions for the intercollegiate athletics program of both LSU and TAF for their fiscal years ended June 30, 2005, and December 31, 2004, respectively.

1. CONTRIBUTIONS

No individuals or outside organizations, other than TAF, contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10% of the total contributions included in Statement A.

The athletic department received contributions totaling \$3,858,711 from TAF for the year ended December 31, 2004. Contributions from TAF on Statement A reflect gifts in the form of goods, services, and benefits paid for or on behalf of the athletic department as follows:

Contributions	\$3,558,711
Third-party support	<u>300,000</u>
Total	<u><u>\$3,858,711</u></u>

2. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the university system's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. All departments within the university follow standardized policies and procedures for acquiring, approving, depreciating, and disposing of capital assets.

Cooperative Endeavors - Expansion of Tiger Stadium

On December 21, 1998, LSU entered into a cooperative endeavor agreement with TAF for an addition to the east side of Tiger Stadium. TAF agrees to lease a parcel of land located adjacent to Tiger Stadium for up to 50 years and to construct additional seats on the land as part of Tiger Stadium, including approximately 70 skyboxes. LSU will lease these stadium improvements from TAF for \$2 million per year for a 35-year lease term or until TAF donates such improvements to LSU. The estimated value to LSU of this addition over the term of the agreement is \$48,032,384. The cooperative endeavor agreement will end on April 4, 2049.

On September 26, 2003, LSU entered into a cooperative endeavor agreement with TAF for the expansion and renovation of the west side of Tiger Stadium. TAF agrees to lease land and certain existing improvements for the purpose of expanding and renovating facilities and to complete general stadium improvements. Effective September 1, 2005, LSU will lease these improvements from TAF for \$2.5 million per year for a 35-year lease term or until TAF donates such improvements to LSU. This agreement is scheduled to expire on March 31, 2041.

Property and Equipment - TAF

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily or permanently restricted revenue. Property and equipment is depreciated using the straight-line method over estimated useful lives of 5 to 50 years.

Construction-in-progress and other additions are stated at cost and represent costs of construction. During the construction period, interest will be capitalized on all qualifying expenditures.

NOTES TO THE FINANCIAL STATEMENT (UNAUDITED)

Capital asset activity for the athletic department for the year ended June 30, 2005, is as follows:

	Balance June 30, 2004	Additions	Transfers	Retirements	Balance June 30, 2005
Capital assets not being depreciated:					
Construction-in-progress	\$2,450,665	\$1,842,359	(\$2,221,518)	NONE	\$2,071,506
Other capital assets:					
Depreciable land improvements	\$938,975	\$22,072	\$1,004,615		\$1,965,662
Less - accumulated depreciation	(659,986)	(78,170)			(738,156)
Total land improvements	278,989	(56,098)	1,004,615	NONE	1,227,506
Buildings	72,049,672	689,669	1,216,903		73,956,244
Less - accumulated depreciation	(34,474,699)	(1,721,034)			(36,195,733)
Total buildings	37,574,973	(1,031,365)	1,216,903	NONE	37,760,511
Equipment	5,798,666	567,575		(\$331,267)	6,034,974
Less - accumulated depreciation	(4,406,607)	(596,916)		331,267	(4,672,256)
Total equipment	1,392,059	(29,341)	NONE	NONE	1,362,718
Total other capital assets	\$39,246,021	(\$1,116,804)	\$2,221,518	NONE	\$40,350,735
Capital Asset Summary:					
Capital assets not being depreciated	\$2,450,665	\$1,842,359	(\$2,221,518)		\$2,071,506
Other capital assets, at cost	78,787,313	1,279,316	2,221,518	(\$331,267)	81,956,880
Total cost of capital assets	81,237,978	3,121,675	NONE	(331,267)	84,028,386
Less - accumulated depreciation	(39,541,292)	(2,396,120)	NONE	331,267	(41,606,145)
Capital assets, net	\$41,696,686	\$725,555	NONE	NONE	\$42,422,241

ATHLETIC DEPARTMENT, LOUISIANA STATE UNIVERSITY

Capital asset activity for TAF for the year ended December 31, 2004, is as follows:

	Balance December 31, 2003	Additions	Transfers	Retirements	Balance December 31, 2004
Capital assets not being depreciated:					
Land	\$3,090,000				\$3,090,000
Construction-in-progress	5,999,543	\$26,305,848	(\$834,080)		31,471,311
Total capital assets not being depreciated	\$9,089,543	\$26,305,848	(\$834,080)	NONE	\$34,561,311
Other capital assets:					
Land and improvements	\$724,577		\$834,080		\$1,558,657
Less - accumulated depreciation	(88,775)	(\$36,229)			(125,004)
Total land improvements	635,802	(36,229)	834,080	NONE	1,433,653
Buildings	53,735,688	391,856			54,127,544
Less - accumulated depreciation	(2,191,064)	(589,422)			(2,780,486)
Total buildings	51,544,624	(197,566)	NONE	NONE	51,347,058
Equipment	351,444	31,890		(\$67,481)	315,853
Less - accumulated depreciation	(222,156)	(39,598)		67,481	(194,273)
Total equipment	129,288	(7,708)	NONE	NONE	121,580
Total other capital assets	\$52,309,714	(\$241,503)	\$834,080	NONE	\$52,902,291
Capital Asset Summary:					
Capital assets not being depreciated	\$9,089,543	\$26,305,848	(\$834,080)		\$34,561,311
Other capital assets, at cost	54,811,709	423,746	834,080	(\$67,481)	56,002,054
Total cost of capital assets	63,901,252	26,729,594	NONE	(67,481)	90,563,365
Less - accumulated depreciation	(2,501,995)	(665,249)	NONE	67,481	(3,099,763)
Capital assets, net	\$61,399,257	\$26,064,345	NONE	NONE	\$87,463,602

3. LONG-TERM LIABILITIES

Notes Payable - LSU Athletic Department

The LSU Athletic Department has no installment purchase agreements. LSU has entered into a loan agreement with the Louisiana Public Facilities Authority (LPFA) for the improvement and expansion of various athletic facilities.

The following is a summary of notes payable for the athletic department for the year ended June 30, 2005:

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2004	(Redeemed) Issued	Principal Outstanding June 30, 2005	Interest Rates	Maturities	Interest Outstanding June 30, 2005
LPFA	October 31, 1988	\$12,154,417	\$5,782,763	(\$779,020)	\$5,003,743	Variable	2005-2011	\$980,359

NOTES TO THE FINANCIAL STATEMENT (UNAUDITED)

The following is the amortization schedule for the outstanding notes payable for the athletic department as of June 30, 2005:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$827,531	\$300,225	\$1,127,756
2007	876,576	250,573	1,127,149
2008	931,484	197,978	1,129,462
2009	984,970	142,089	1,127,059
2010	1,274,793	82,991	1,357,784
2011	108,389	6,503	114,892
Total	<u>\$5,003,743</u>	<u>\$980,359</u>	<u>\$5,984,102</u>

Notes Payable - TAF

The following is a summary of notes payable for TAF for the year ended December 31, 2004:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding December 31, 2003</u>	<u>(Redeemed) Issued</u>	<u>Principal Outstanding December 31, 2004</u>	<u>Interest Rates</u>	<u>Maturities</u>
Bank One - Scoreboard Note Payable	April 13, 1999	\$5,300,000	\$1,000,000	(\$1,000,000)		7.50%	
Hibernia Term and Revolver Loan	July 26, 2001		7,209,337	(3,078,000)	\$4,131,337	Variable	2009
Hibernia Line of Credit	August 1, 2002	<u>1,211,207</u>	<u>1,211,207</u>	<u>(1,211,207)</u>		Variable	
Total		<u>\$6,511,207</u>	<u>\$9,420,544</u>	<u>(\$5,289,207)</u>	<u>\$4,131,337</u>		

The notes payable includes both a term loan and a line of credit up to \$11,389,000. There were no outstanding amounts under the line of credit at December 31, 2004.

ATHLETIC DEPARTMENT, LOUISIANA STATE UNIVERSITY _____

The following is the amortization schedule for the outstanding notes payable for TAF as of December 31, 2004:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2005	\$1,156,000	Variable
2006	1,239,000	Variable
2007	1,329,000	Variable
2008	<u>407,337</u>	Variable
Total	<u><u>\$4,131,337</u></u>	

Bonds Payable - LSU Athletic Department

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2005:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding June 30, 2004</u>	<u>(Redeemed) Issued</u>	<u>Principal Outstanding June 30, 2005</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Interest Outstanding June 30, 2005</u>
1996	September 6, 1996	\$10,590,000	\$9,400,000	(\$9,400,000)		4.3% to 5.5%		
1997	December 1, 1997	2,939,000	2,264,000	(2,264,000)		4.0% to 5.0%		
2005 A, B	June 2, 2005	<u>12,325,000</u>		<u>11,760,000</u>	<u>\$11,760,000</u>	3.0% to 5.0%	2005-2026	<u>\$4,846,316</u>
Total		<u>\$25,854,000</u>	<u>\$11,664,000</u>	<u>\$96,000</u>	<u>\$11,760,000</u>			<u>\$4,846,316</u>

The new bond issue consisted of refunding the Series 1996 bonds in the amount of \$9,995,000 and of refunding the Series 1997 bonds in the amount of \$2,330,000. The interest rate structure includes a separate interest rate swap agreement.

NOTES TO THE FINANCIAL STATEMENT (UNAUDITED)

The following is the amortization schedule for the outstanding bonds payable for the athletic department as of June 30, 2005:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$445,000	\$440,756	\$885,756
2007	450,000	427,406	877,406
2008	475,000	411,930	886,930
2009	490,000	394,758	884,758
2010	510,000	370,530	880,530
2011-2015	2,920,000	1,509,602	4,429,602
2016-2020	2,875,000	863,945	3,738,945
2021-2025	2,935,000	405,643	3,340,643
2026	660,000	21,746	681,746
Total	<u>\$11,760,000</u>	<u>\$4,846,316</u>	<u>\$16,606,316</u>

Bonds Payable - TAF

The following is a detailed summary of bonds payable for TAF for the year ended December 31, 2004:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding December 31, 2003</u>	<u>(Redeemed) Issued</u>	<u>Principal Outstanding December 31, 2004</u>	<u>Interest Rates</u>	<u>Maturities</u>
Series 2001 Bonds	July 26, 2001	\$10,200,000	\$8,070,000	(\$3,135,000)	\$4,935,000	Variable	2005-2011
Series 1999 Bonds	March 4, 1999	43,575,000	43,575,000		43,575,000	Variable	2010-2028
Series 2004 Bonds	March 23, 2004	90,000,000		90,000,000	90,000,000	Variable	2005-2033
Total		<u>\$143,775,000</u>	<u>\$51,645,000</u>	<u>\$86,865,000</u>	<u>\$138,510,000</u>		

In 1999, the foundation issued \$43,575,000 in revenue bonds for the purpose of financing or reimbursing a portion of the cost of certain improvements and renovations to the East Side Upper Deck of Tiger Stadium at LSU.

In 2001, \$10,200,000 in revenue bonds was issued for the purpose of certain improvements and renovations to the Gym Armory at LSU.

In 2004, the foundation issued \$90,000,000 in revenue bonds for the purpose of financing or reimbursing a portion of the cost of certain improvements and renovations to the West Side Upper Deck at LSU's Tiger Stadium and construction of a Football Operations Center, as well as miscellaneous improvements to Tiger Stadium.

ATHLETIC DEPARTMENT, LOUISIANA STATE UNIVERSITY _____

The following is the amortization schedule for the outstanding bonds payable for TAF as of December 31, 2004:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2005	\$2,600,000	Variable
2006	2,665,000	Variable
2007	2,745,000	Variable
2008	2,825,000	Variable
2009	2,175,000	Variable
2010-2014	18,350,000	Variable
2015-2019	23,210,000	Variable
2020-2024	29,365,000	Variable
2025-2029	33,645,000	Variable
2030-2033	<u>20,930,000</u>	Variable
Total	<u><u>\$138,510,000</u></u>	